

Senate Bill No. 119

Passed the Senate May 14, 2009

Secretary of the Senate

Passed the Assembly July 1, 2009

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 678.3 of the Insurance Code, relating to professional liability insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 119, Wyland. Professional liability insurance: insurers: bad faith.

Existing law prohibits the bringing of an action against an insurer issuing professional liability insurance policies to health care providers for statements made in bad faith unless the statement was made under a specified circumstance. Under existing law, that provision is repealed as of January 1, 2011, unless another statute deletes or extends that date.

This bill would extend that date to January 1, 2013.

The people of the State of California do enact as follows:

SECTION 1. Section 678.3 of the Insurance Code is amended to read:

678.3. (a) There shall be no liability on the part of, and no cause of action of any nature shall arise against, any insurer that issues professional liability insurance policies to health care providers or its authorized representatives, agents, or employees, or any licensed insurance agent or broker, for any statement made, unless shown to have been made in bad faith, by any of them in any of the following:

(1) A written notice of nonrenewal, or any other oral or written communication specifying the reasons for nonrenewal of a policy issued to a health care provider.

(2) Any communication providing information pertaining to the nonrenewal.

(3) Evidence submitted at any court proceeding or informal inquiry in which the nonrenewal is an issue.

(b) This section shall apply only to nonrenewals for which written notice is provided by the insurer on or after January 1, 2006.

(c) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

Approved _____, 2009

Governor